

HOUSE BILL 653

Q1

CONSTITUTIONAL AMENDMENT

0lr1122

By: **Delegates Impallaria, Aumann, Bartlett, Boteler, Costa, Dwyer, George, Haddaway, Jennings, Kach, Krebs, McComas, McDonough, Miller, Minnick, Riley, Schuh, Shewell, Smigiel, Sossi, and Stocksdales**

Introduced and read first time: February 3, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Taxes – Limitations**

3 FOR the purpose of adding a new section to the Maryland Constitution to provide that
4 the maximum amount of certain taxes on real property may not exceed a certain
5 amount of the full cash value of the property, as defined; requiring all real
6 property to be assessed at the 2010 full cash value or the appraised value of the
7 property, under certain circumstances, subject to adjustment for inflation;
8 adding a new section to the Maryland Constitution to require the approval of
9 two-thirds of the members elected to each House of the General Assembly to
10 pass legislation to increase the rate of an existing tax or to impose a tax on an
11 individual or entity not subject to the tax at the time of consideration of the
12 legislation; and submitting this amendment to the qualified voters of the State
13 of Maryland for their adoption or rejection.

14 BY proposing an amendment to the Maryland Constitution
15 Declaration of Rights
16 Article 15

17 BY proposing an addition to the Maryland Constitution
18 Declaration of Rights
19 Article 15A

20 BY proposing an addition to the Maryland Constitution
21 Article III – Legislative Department
22 Section 28A

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
24 MARYLAND, (Three-fifths of all the members elected to each of the two Houses
25 concurring), That it be proposed that the Maryland Constitution read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Declaration of Rights**

2 Article 15.

3 That the levying of taxes by the poll is grievous and oppressive and ought to be
4 prohibited; that paupers ought not to be assessed for the support of the government;
5 that, **EXCEPT AS PROVIDED IN ARTICLE 15A OF THIS DECLARATION OF RIGHTS**,
6 the General Assembly shall, by uniform rules, provide for the separate assessment,
7 classification and sub-classification of land, improvements on land and personal
8 property, as it may deem proper; and all taxes thereafter provided to be levied by the
9 State for the support of the general State Government, and by the Counties and by the
10 City of Baltimore for their respective purposes, shall be uniform within each class or
11 sub-class of land, improvements on land and personal property which the respective
12 taxing powers may have directed to be subjected to the tax levy; yet fines, duties or
13 taxes may properly and justly be imposed, or laid with a political view for the good
14 government and benefit of the community.

15 **ARTICLE 15A.**

16 **(A) (1) IN THIS ARTICLE THE FOLLOWING WORDS HAVE THE**
17 **MEANINGS INDICATED.**

18 **(2) "FULL CASH VALUE" MEANS:**

19 **(I) THE ASSESSOR'S VALUATION AS SHOWN ON THE 2010**
20 **TAX BILL; OR**

21 **(II) THE APPRAISED VALUE OF THE PROPERTY WHEN THE**
22 **PROPERTY IS PURCHASED OR NEWLY CONSTRUCTED, OR A CHANGE IN**
23 **OWNERSHIP HAS OCCURRED, AFTER THE 2010 ASSESSMENT.**

24 **(3) "NEWLY CONSTRUCTED" DOES NOT INCLUDE:**

25 **(I) REAL PROPERTY THAT IS RECONSTRUCTED AFTER A**
26 **DISASTER DECLARED BY THE GOVERNOR IF THE FAIR MARKET VALUE, AS**
27 **RECONSTRUCTED, IS COMPARABLE TO THE FAIR MARKET VALUE PRIOR TO THE**
28 **DISASTER; OR**

29 **(II) OTHER PROPERTY AS DETERMINED BY THE GENERAL**
30 **ASSEMBLY.**

31 **(4) "SUBSTANTIALLY DAMAGED OR DESTROYED" MEANS**
32 **PROPERTY DIMINISHED IN VALUE AS A RESULT OF PHYSICAL DAMAGE CAUSED**
33 **BY A DISASTER, INCLUDING AS A RESULT OF RESTRICTED ACCESS CAUSED BY**

1 THE DISASTER, BY MORE THAN 50% OF THE PROPERTY'S VALUE IMMEDIATELY
2 BEFORE THE DISASTER.

3 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
4 SUBSECTION, THE MAXIMUM AMOUNT OF ANY AD VALOREM TAX IMPOSED ON
5 REAL PROPERTY BY THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION
6 MAY NOT EXCEED THE RATE IN EFFECT ON NOVEMBER 2, 2010, APPLIED TO THE
7 FULL CASH VALUE OF THE REAL PROPERTY.

8 (2) THE LIMITATION IN SUBSECTION (A) OF THIS ARTICLE DOES
9 NOT APPLY TO AD VALOREM TAXES OR SPECIAL ASSESSMENTS TO PAY THE
10 INTEREST ON OR PRINCIPAL OF:

11 (I) BONDS ISSUED ON OR BEFORE NOVEMBER 2, 2010;

12 (II) BONDS FOR THE ACQUISITION OR IMPROVEMENT OF
13 REAL PROPERTY AUTHORIZED BY THE GENERAL ASSEMBLY; OR

14 (III) BONDS FOR THE CONSTRUCTION, RECONSTRUCTION,
15 REHABILITATION, REPLACEMENT, OR CAPITAL EQUIPPING OF SCHOOL
16 FACILITIES APPROVED BY 55% OF THE VOTERS VOTING ON THE PROPOSITION.

17 (C) ALL REAL PROPERTY NOT ALREADY ASSESSED UP TO THE 2010
18 FULL CASH VALUE SHALL BE REASSESSED TO REFLECT THE 2010 VALUE.

19 (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE FULL
20 CASH VALUE OF PROPERTY MAY REFLECT FROM YEAR TO YEAR AN INCREASE OR
21 DECREASE FROM THE BASE VALUE BY THE RATE OF INFLATION OR DEFLATION
22 AS SHOWN IN THE CONSUMER PRICE INDEX OR COMPARABLE DATA FOR THE
23 AREA OR MAY BE REDUCED TO REFLECT SUBSTANTIAL DAMAGE, DESTRUCTION,
24 OR OTHER FACTORS CAUSING A DECLINE IN VALUE.

25 (2) THE INFLATIONARY RATE IN PARAGRAPH (1) OF THIS
26 SUBSECTION MAY NOT EXCEED 2%.

27 (E) (1) FOR PURPOSES OF DETERMINING FULL CASH VALUE, A
28 PURCHASE OR CHANGE IN OWNERSHIP DOES NOT INCLUDE THE ACQUISITION
29 OF REAL PROPERTY AS A REPLACEMENT FOR COMPARABLE PROPERTY IF THE
30 PERSON ACQUIRING THE REAL PROPERTY IS DISPLACED FROM THE PROPERTY
31 REPLACED BY:

32 (I) EMINENT DOMAIN;

33 (II) ACQUISITION BY A PUBLIC ENTITY; OR

1 **(III) GOVERNMENTAL ACTION THAT HAS RESULTED IN A**
2 **JUDGMENT OF INVERSE CONDEMNATION.**

3 **(2) THE REAL PROPERTY ACQUIRED UNDER PARAGRAPH (1) OF**
4 **THIS SUBSECTION IS COMPARABLE TO THE PROPERTY REPLACED IF:**

5 **(I) THE PROPERTY IS SIMILAR IN SIZE, UTILITY, AND**
6 **FUNCTION; OR**

7 **(II) THE PROPERTY CONFORMS TO REQUIREMENTS**
8 **SPECIFIED BY THE GENERAL ASSEMBLY.**

9 **(F) (1) THE BASE YEAR VALUE OF PROPERTY THAT IS**
10 **SUBSTANTIALLY DAMAGED OR DESTROYED BY A DISASTER, AS DECLARED BY**
11 **THE GOVERNOR, MAY BE TRANSFERRED TO COMPARABLE PROPERTY WITHIN**
12 **THE SAME COUNTY THAT IS ACQUIRED OR NEWLY CONSTRUCTED AS A**
13 **REPLACEMENT FOR THE SUBSTANTIALLY DAMAGED OR DESTROYED PROPERTY.**

14 **(2) THE GENERAL ASSEMBLY MAY AUTHORIZE EACH COUNTY TO**
15 **ADOPT, BY ORDINANCE, REQUIREMENTS GOVERNING THE TRANSFER OF THE**
16 **BASE YEAR VALUE OF PROPERTY THAT IS LOCATED IN ANOTHER COUNTY AND IS**
17 **SUBSTANTIALLY DAMAGED OR DESTROYED BY A DISASTER, AS DECLARED BY**
18 **THE GOVERNOR.**

19 **(G) (1) FOR PURPOSES OF DETERMINING FULL CASH VALUE, A**
20 **PURCHASE OR CHANGE IN OWNERSHIP DOES NOT OCCUR IF REAL PROPERTY IS**
21 **TRANSFERRED BETWEEN SPOUSES.**

22 **(2) A TRANSFER BETWEEN SPOUSES UNDER PARAGRAPH (1) OF**
23 **THIS SUBSECTION INCLUDES:**

24 **(I) A TRANSFER TO A TRUSTEE FOR THE BENEFICIAL USE**
25 **OF A SPOUSE, OR THE SURVIVING SPOUSE OF A DECEASED TRANSFEROR, OR BY**
26 **THE TRUSTEE OF THE TRUST TO THE SPOUSE OF THE TRUSTOR;**

27 **(II) A TRANSFER TO A SPOUSE THAT TAKES EFFECT ON THE**
28 **DEATH OF A SPOUSE; OR**

29 **(III) A TRANSFER TO A SPOUSE OR FORMER SPOUSE IN**
30 **CONNECTION WITH A PROPERTY SETTLEMENT AGREEMENT OR DECREE OF**
31 **DISSOLUTION OF MARRIAGE OR LEGAL SEPARATION.**

